

## TEACHING HOSPITALS

Teaching hospitals are training institutions with at least 25 full-time equivalent medical school residents per one hundred inpatient beds that are not considered Academic Medical Centers (AMCs). There are nine teaching hospitals in Massachusetts. Teaching hospitals treat a disproportionate number of complex cases (i.e., high casemix index), though generally fewer of the most complex cases than AMCs. They tend to be larger hospitals, representing nearly one-fifth of all staffed hospital beds statewide in FY12.

**INPATIENT SERVICES** Compared with other acute hospitals, teaching hospitals as a group treat slightly more moderate and higher-severity cases while sixty-six percent of cases are lower-severity. As a group, teaching hospitals have a similar cost<sup>†</sup> per inpatient case (\$9,280 per CMAD) to community and community- Disproportionate Share Hospital groups, and a considerable 19% lower cost per inpatient case than AMCs<sup>†</sup>.

**FINANCIAL PERFORMANCE** Total teaching hospital revenue in FY12 was \$4.0 billion. These nine hospitals accounted for 16% of total acute hospital revenue statewide. Teaching hospitals tend to have a greater proportion of business from Medicaid, Medicare, and other government programs than other hospitals, with 64% of their business from these public payers in 2012. Teaching hospitals tend to have higher price levels relative to other hospitals, though not as high as AMCs. While there was some variation between hospitals, teaching hospitals collectively earned a surplus each year from FY08 to FY12, with an aggregate surplus of \$239 million in FY12.

## AT A GLANCE

**TOTAL STAFFED BEDS:** 2,525 in cohort, 17% of Statewide

**TOTAL DISCHARGES:** 146,702 in cohort, 17% of Statewide

**AVERAGE % OCCUPANCY:** 74%

**TOTAL REVENUE IN FY12:** \$3,991 million, 16% of Statewide

**AVERAGE PUBLIC PAYER MIX:** 64%

**AVERAGE CY12 COMMERCIAL PAYER PRICE LEVEL:** 55th Percentile

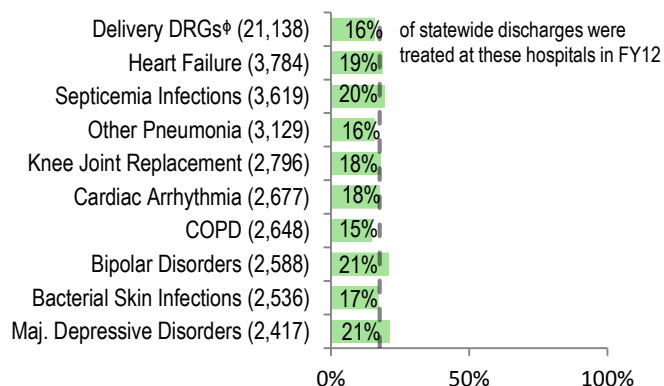
**CASE MIX INDEX in FY12:** 1.08, greater than CMI of other hospitals\* (1.03)

**INPATIENT:OUTPATIENT REVENUE in FY12:** 37%:63%

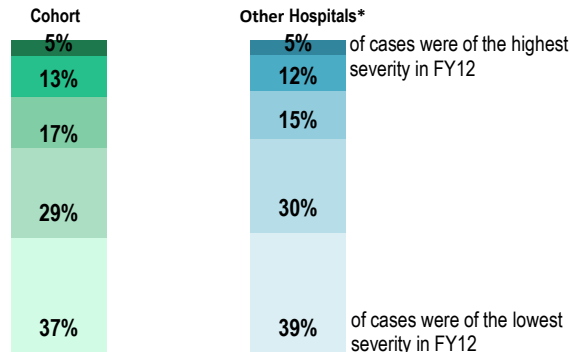
**MEDIAN TOTAL MARGIN in FY12:** 8.4%

## SERVICES

What were the most common inpatient cases (DRGs) treated at the cohort hospitals? What proportion of statewide DRGs did this cohort treat for each service?

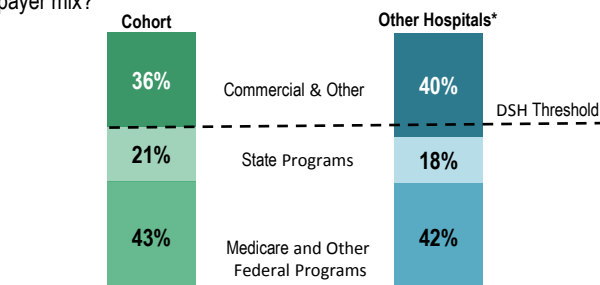


What was the inpatient severity distribution in this cohort? How does this compare to the inpatient severity distribution of other hospitals?

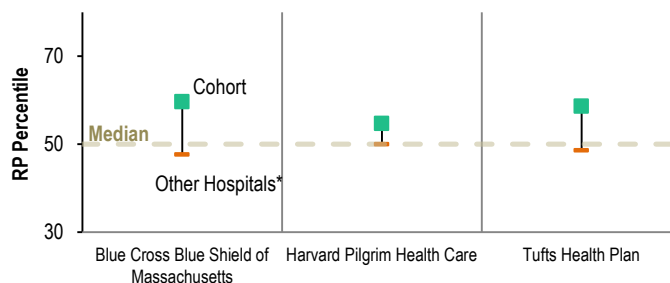


## PAYER MIX

What was the average cohort hospital's payer mix (gross charges) in FY12, and how does this compare to the average of other acute hospitals' payer mix?

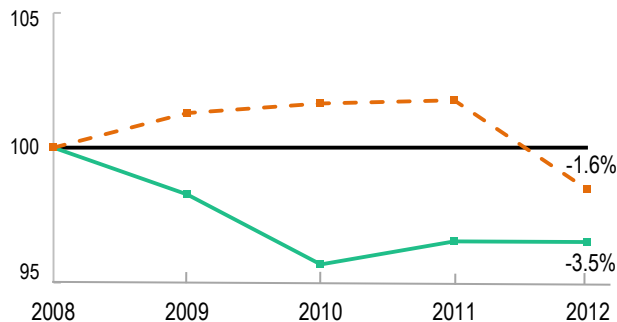


As a group, what were the cohort's average CY12 payer-specific relative price levels for the top three commercial payers in Massachusetts? How do these compare to the average relative price levels of other acute hospitals?

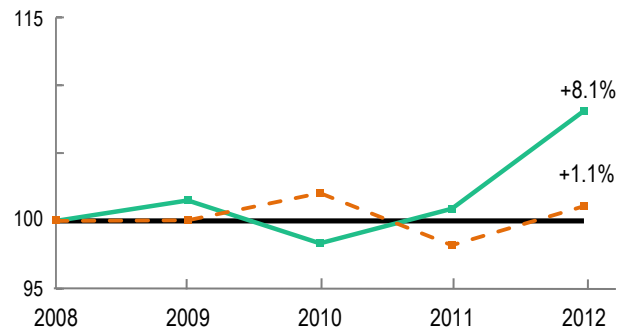


**UTILIZATION TRENDS**

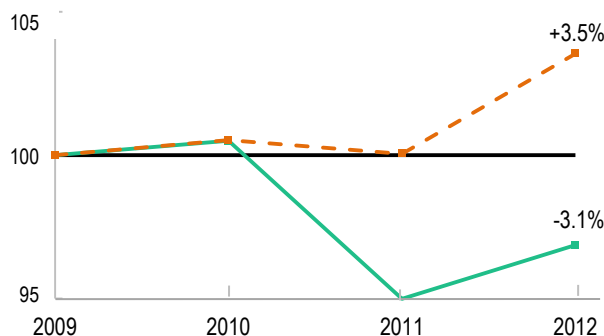
As a group, how has the volume of the cohort's total inpatient discharges changed compared to FY08, and how does this compare to the volume of other acute hospitals? (FY08=100)



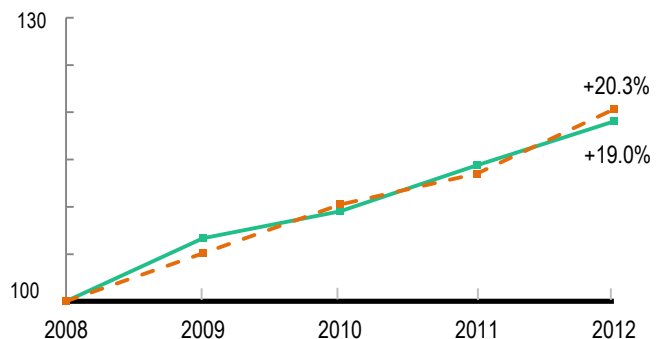
How has the volume of the average cohort hospital's outpatient visits changed compared to FY08, and how does this compare to the average of other hospitals' change in outpatient visits? (FY08=100)


**COST TRENDS**

As a group, how has the cohort's inpatient cost<sup>†</sup> per case mix adjusted discharge changed compared to FY09, and how does this compare to those of other acute hospitals? (FY09=100)



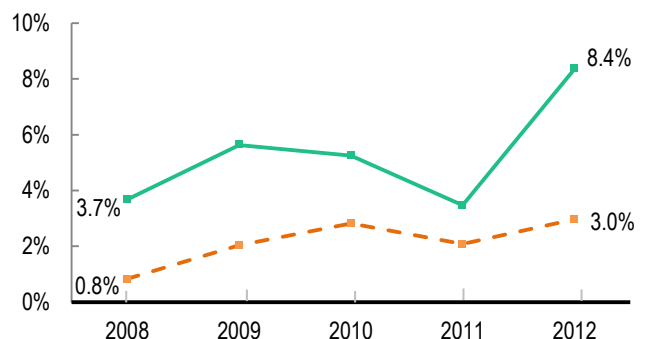
As a group, how have the cohort's total outpatient costs changed compared to FY08, and how does this compare to the total outpatient costs of other acute hospitals? (FY08=100)


**FINANCIAL PERFORMANCE**

As a group, how have the cohort hospitals' aggregate revenues and costs changed between FY08 and FY12?

Revenue, Cost & Profit/Loss (in millions)					
	Total Revenue	% Change	Total Cost	% Change	Total Profit/Loss
2008	\$3,720		\$3,621		\$99
2009	\$3,898	4.8%	\$3,749	3.5%	\$148
2010	\$3,990	2.4%	\$3,793	1.2%	\$197
2011	\$3,670	(8.0%)	\$3,569	(5.9%)	\$101
2012	\$3,991	8.7%	\$3,752	5.1%	\$239

What was the cohort's median total margin between FY08 and FY12? How does this compare to the median of other acute hospitals?



For descriptions of the metrics, please see Technical Appendix.

<sup>†</sup> Costs were adjusted to exclude direct medical education costs and physician compensation.

\* Other hospitals comparative does not include Specialty hospitals.

\* Delivery DRG includes Cesarean and Vaginal Deliveries, and Neonate DRG.

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